

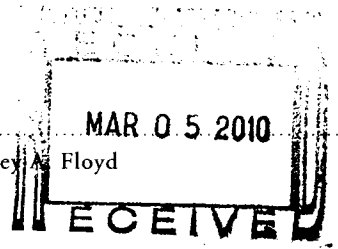


THE FLOYD LAW FIRM PC

attorneys & counselors at law

Dalton B. Floyd, Jr. | Frank J. Bryan | Charles R. Rhodes Jr. | Terrence R. Real † | Bradley A. Floyd

March 4, 2010



CERTIFIED MAIL/RETURN RECEIPT REQUESTED

CERTIFIED MAIL

The Honorable Jocelyn Boyd,
Interim Chief Clerk/Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Lakewood Utilities
FJB/LLC
7163 9209 0820 0000 2025

**RE: Application of Lakewood Utilities, LLC For The Establishment
Of Service Area, Rates And Charges For The Provision Of Water
and Sewer Services
Case Number: 2009-457-WS**

Dear Ms. Boyd:

Please find enclosed the prefiled direct testimony of the applicant in the above-referenced matter. I have also enclosed an additional copy and request that it be date stamped and returned to me in the envelope provided. I have also enclosed a certificate of service by mail for the same verifying that it has been served on the Office of Regulatory Staff. ✓

If you require anything further, or have any questions, do not hesitate to contact me.

With kindest regards, I am,

Yours very truly,

THE FLOYD LAW FIRM PC

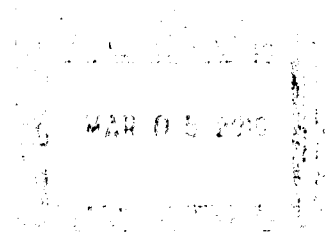
Frank J. Bryan
Frank J. Bryan

FJB:llc

cc: Nanette Edwards, Esquire
Melissa D. Gause

OK Postmarked 3/4
OK
RETURN TO:
SEN 04

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA



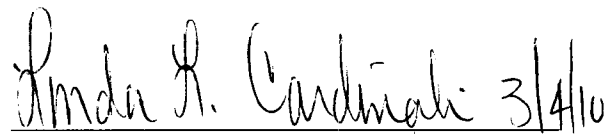
DOCKET NO.: 2009-457-WS)
APPLICATION OF LAKEWOOD)
UTILITIES, LLC For The)
Establishment Of Service Area,)
Rates and Charges For The)
Provision Of Water and Sewer)
Services In Horry County)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that she is employed in the law offices of The Floyd Law Firm PC, P.O. Drawer 14607, Surfside Beach, SC 29587, and is a person of such age and discretion as to be competent to serve papers.

That on March 4, 2010, she served a copy of the Prefiled Testimony of Melissa D. Gause in the above-captioned matter by placing said copy in a postpaid envelope addressed to the person or persons hereinafter named at the place(s) and address(es) stated below, by depositing said envelope and contents in the United States Main at Surfside Beach, South Carolina:

TO: Nanette Edwards, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201


Linda L. Cardinali

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

DOCKET NUMBER: 2009-457-WS

**Application of Lakewood Utilities, LLC For The Establishment
Of Service Area, Rates And Charges For The
Provision Of Water and Sewer Services**

PREFILED DIRECT TESTIMONY

OF
MELISSA D. GAUSE

Testimony of Melissa D. Gause
For
Applicant Lakewood Utilities, LLC

Docket Number 2009-457-WS

Q. Please state your name for the record.

A. Melissa D. Gause

Q. Where do you live?

A. 427 Berley McRoad, Conway, SC 29526

Q. This is in Horry County?

A. Yes

Q. What is your profession?

A. Corporate Manager for Lakewood Camping Resort, Inc.

Q. Do you have a degree?

A. No

Q. Please outline your work history.

A. 1965-1970 Accounting Clerk at Pargas Company
1970-1995 Bookkeeper at Lakewood Camping Resort
1995-Present Corporate Manager at Lakewood Camping Resort

Q. Specifically, what experience do you have with drinking water and drinking water facilities?

A. Maintained and reported to all agencies as required for providing drinking water to residents and visits of Lakewood Camping Resort. Involved in having water tested and training classes for employees for certification in water treatment and water distribution.

Q. What is Lakewood Utilities, LLC?

A. A limited liability company formed specifically for the purpose of making this application to the Commission and running the water and sewer services if approved.

Q. What is your position in Lakewood Utilities, LLC?

A. Manager

Q. What wastewater treatment facilities are approved and permitted or licensed to operate?

A. None. Grand Strand Water & Sewer treats our waste. Our sewer is gravity fed to Grand Strand Water & Sewer's pumping stations.

Q. Are you requesting that the application of Lakewood Utilities, LLC for water and sewer services be approved?

A. Yes.

Q. Would you briefly state why you feel this request should be granted?

A. Lakewood has been providing water and sewer services to the customers and residents of the campground since it opened more than 50 years ago at no cost to the customers. We hope to off-set the cost of providing water and sewer services. We checked on other rates and believe our requested rates are comparable to and generally lower than other utilities in this area and are extremely fair and reasonable.

Q. What has your involvement been with regard to the construction of the water distribution system to provide water services to Lakewood Camping Resort?

A. Water services were provided before I began work with the company. I have made certain that designated employees of Lakewood Camping Resort attended classes in Water Treatment, Wastewater Treatment, Water Distribution and have obtained the levels of certification necessary to operate our water system. I have had the responsibility for making certain that we have complied with all DHEC Regulations, and before that with South Carolina Water Resources Commission.

Q. Where is Lakewood Camping Resort located?

A. 5901 South Kings Highway, Myrtle Beach, SC 29575.

Q. Briefly describe Lakewood Camping Resort.

A. Lakewood Camping Resort is a Sub-S Corporation. Lakewood is a campground located on the Atlantic Ocean on approximately 150 acres in Horry County. Lakewood has been owned and operated by the Perry family of Myrtle Beach for more than 50 years. There are 1,100 transient campsites and 700 annually leased sites.

Q. Is another municipal utility authorized to serve the development with water?

A. No. We have always operated our own Community Water System which is now designated DHEC #2660049.

Q. Are you requesting that the proposed residential rates and charges in your application be approved by the Public Service Commission?

A. Yes.

Q. Who gathered the reports and information for the application and for the responses to the Audit Information Requests and Responses?

A. My office. I am the one responsible.

Q. Is the information supplied therein accurate?

A. Yes.

Q. Describe the basis of your rates and charges.

A. We used surrounding utilities for comparisons of our cost of operating. We did not include any recoupment of the prior investment.

Q. Are you requesting "phased-in" rates by your application?

A. Yes. That will happen after one year.

Q. Do you feel that the proposed residential rates and charges contained in your responses to the Audit Information Requests and Responses are appropriate?

A. Yes.

Q. Does your proposed schedule of rates and charges also have a proposed commercial rate?

A. No, it will be residential service only, no commercial.

Q. Will the charges allow Lakewood Utilities, LLC to be viable?

A. Yes.

Q. Have you reviewed your application and all exhibits attached to it and all responses previously filed?

A. Yes.

Q. Your proposed schedule of rates and charges, or tariff, contains proposed tap fees and Reconnect charges. Are you requesting that these be approved?

A. Yes.

Q. Are you requesting that your entire proposed schedule of rates and charges be approved and adopted?

A. Yes.

Q. Does this conclude your testimony?

A. Yes.